

The complaint

Mr C complains about the way that AXA Insurance UK Plc handled a claim he made on a travel insurance policy.

What happened

Mr C has travel insurance as a benefit of a packaged bank account.

Mr C booked a holiday abroad to a country I'll call F. He was due to travel in April 2021, along with his wife, Mrs C and other family members. He booked and paid for accommodation for the family.

However, as a result of the Covid-19 pandemic, borders between the UK and F were closed at the time Mr C was due to travel. And sadly, Mrs C passed away in February 2021. The trip had to be cancelled and so Mr C made a claim on his travel insurance policy.

AXA looked into Mr C's claim. It initially considered that Mrs C's death had been the main cause of the holiday cancellation. So it asked Mr C to provide medical evidence from Mrs C's GP, together with a copy of her death certificate. It also asked Mr C to provide information about the other members of the travelling party, so that it could establish whether any other insurer had any liability for the claim.

Mr C provided AXA with the medical evidence it had asked for. But he said he wasn't prepared to provide information about his family members, as he'd paid for the holiday and they hadn't suffered any financial loss. He was also concerned that this might result in data protection issues. Given the policy covered cancellation due to the imposition of travel restrictions, he was unhappy that AXA hadn't dealt with the claim under this head of cover. And he was upset to learn that AXA had lost Mrs C's death certificate.

Ultimately, AXA accepted that it should have accepted the claim based on the travel restrictions cover and that it'd unnecessarily caused Mr C time and trouble in obtaining medical information. It also apologised for the loss of Mrs C's death certificate. It explained why it had asked for details of Mr C's family members, but it accepted that Mr C had solely paid for the trip and it agreed to settle the claim without this evidence. It also paid Mr C £175 compensation for its handling of the claim.

Mr C remained unhappy with AXA's offer and he asked us to look into his complaint. Subsequently, AXA offered to pay Mr C £500 in total. Mr C didn't think this offer went far enough.

Our investigator felt that AXA's offer was fair and reasonable. He agreed that AXA hadn't handled the claim as well as it ought to have done. He felt had caused Mr C unnecessary distress at an already stressful time, although he thought it'd been fair for AXA to request information about the other members of the travelling party. Overall, he concluded that £500 was a fair award in the circumstances.

Mr C disagreed. He didn't think that £500 compensation was satisfactory, given the unnecessary information he'd been asked to provide and the time this had taken, at a time of grief and emotional distress.

The complaint's been passed to me to decide.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I think AXA's offer to pay Mr C total compensation of £500 is fair and reasonable and I'll explain why.

First, I'd like to offer my sincere condolences to Mr C for the loss of Mrs C. I'd also like to reassure him that whilst I've summarised the background to his complaint and his detailed submissions to us, I've carefully considered all he's said and sent us. In this decision though, I won't comment on each point he's raised and nor do our rules require me to. Instead, I've focused on what I think are the key issues.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't handle claims unreasonably. So I've considered, amongst other things, the circumstances of the claim and the available evidence, to decide whether AXA's offer is fair.

AXA acknowledges that it didn't meet the regulator's obligation to handle the claim fairly. It accepts that it made errors and that these caused Mr C additional upset at an already very distressing time. It ought to have been clear to AXA from the outset that given F's government had put travel restrictions in place, Mr C would never have been able to take the trip. So I think it should reasonably have dealt with the claim on this basis under the relevant section of the policy.

Instead, AXA didn't deal with the claim under this particular heading. It required Mr C to obtain unnecessary medical evidence, at a time he was already grieving the loss of his wife, in order to progress the claim. This put Mr C to additional unnecessary time and inconvenience. And it's clear that AXA then lost Mrs C's death certificate. I don't doubt how frustrating and upsetting this must've been for Mr C.

I agree with the investigator though that it was reasonable for AXA to ask for information about the other members of Mr C's travelling party. That's because I think it was reasonably entitled to be satisfied that Mr C had borne the financial loss and that no other insurer had any liability for the claim. So I don't think AXA did anything wrong on this point.

I've considered everything Mr C has said very carefully. I understand how frustrating it must've been to have to obtain evidence whilst Covid-19 restrictions remained in place in the UK, when it transpired that that evidence hadn't been needed to assess the claim. And given Mr C was dealing with grief and upset following the loss of Mrs C, I appreciate that this is likely to have had a real impact on him.

Our awards of compensation aren't designed to punish or fine the businesses we cover. They're intended to reflect the distress and impact we consider a financial business' error has had on a particular consumer in their individual circumstances. In this case, it appears that Mr C made the claim on 24 March 2021 and that it was on 24 June 2021 that AXA accepted the claim without the need for further information and apologised for its initial claims handling errors. So it seems it took three months for AXA to correctly deal with the claim. Taking everything into account, I find that total compensation of £500 (less the

compensation amount AXA has already paid) is a fair award to reflect the likely trouble, upset, time and inconvenience its errors had on Mr C.

My final decision

For the reasons I've given above, my final decision is that AXA's offer of compensation is fair and reasonable.

I direct AXA Insurance UK Plc to pay Mr C total compensation of £500 (less the amount of compensation it's already paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 7 October 2022.

Lisa Barham
Ombudsman